

Message Text

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43

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 INT-08 SCEM-02 COME-00 TRSE-00

AID-20 NSC-10 RSC-01 CIEP-02 SS-15 STR-08 OMB-01

CEA-02 CIAE-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 L-03 H-02 RSR-01 /150 W

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R 082204 Z JUN 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 1143

INFO AMCONSUL CALGARY

AMCONSUL VANCOUVER

UNCLAS OTTAWA 1131

E. O. 11652: N/ A

TAGS: ENRG, ETRD, CA

SUBJECT: ENERGY: OIL PIPELINES, PUGET SOUND SUPPLY.

REF: OTTAWA 1321 AND OTTAWA 1035, JUNE 13, 1972

SUMMARY. MINISTER OF ENERGY, MINES & RESOURCES MACDONALD SAID JUNE 7 HE TOLD VISITING US CONGRESSMEN THAT MACKENZIE VALLEY OIL PIPELINE IS OBVIOUS GOC PREFERENCE TO ALVESKA TANKER ROUTE BUT HE ALSO AGAIN RAISED ALTERNATIVE OF GOC'S ASSURING OVERLAND SUPPLY TO PUGET SOUND REFINERIES. CANADIAN NEWSPAPERS JUNE 8 REPORTED REMARKS ATTRIBUTED TO REPRESENTATIVE JOHN ANDERSON TO EFFECT STATE DEPARTMENT LAST YEAR TOLD GOC TO "KEEP OUT" OF ALYESKA DISPUTE. END SUMMARY.

1. IN HOUSE OF COMMONS QUESTION PERIOD JUNE 7 SINCLAIR STEVENS (PROGRESSIVE CONSERVATIVE - ONTARIO) REFERRED TO REMARKS ATTRIBUTED TO HIS NAMESAKE, SENATOR FROM ALASKA, AND ASKED WHETHER GOC HAD OFFERED CANADIAN LOW SULPHUR CRUDE TO WASHINGTON STATE AREA "TO OBTAIN AGREEMENT FROM US THAT SUPERTANKERS WOULD NOT SERVICE THAT AREA". (OTTAWA 1321) MACDONALD REPLIED HE INDICATED LAST WEEK TO US VISITORS AS HE "INDICATED TO HOUSE UNCLASSIFIED

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MANY TIMES, THAT PREFERENCE OBVIOUSLY IS TO HAVE MACKENZIE VALLEY ROUTE WHICH WOULD OBVIATE NECESSITY FOR TANKERS AT ALL ON WEST COAST, BUT SECOND ALTERNATIVE WOULD BE, IF THAT WERE NOT ACHIEVABLE, TO REPEAT OFFER MADE LAST YEAR (OTTAWA 1035) THAT WE WOULD CONTINUE TO SUPPLY PUGET SOUND REFINERIES THROUGH TRANSMOUNTAIN OIL PIPELINE."

2. EARLIER IN QUESTION PERIOD, FORMER NEW DEMOCRATIC PARTY LEADER DOUGLAS QUESTIONED MACDONALD ON GOC APPROVAL JUNE 6 OF ADDITIONAL PROPANE EXPORTS BY AMOCON DOME AND PAN CANADIAN GAS. EMPHASIZING DISTINCTION BETWEEN PROPANE AND OTHER NATURAL GAAS MACDONALD DISPUTED DOUGLAS' CLAIM EXPORTS MIGHT CUT INTO SUPPLIES NEEDED BY CANADIAN CONSUMERS.

3. ASKED BY STEVENS (P. C. - ONTARIO) IF GOC READY IF NECESSARY TO IMPOSE ENERGY PRICE CONTROLS TO ENSURE THAT DOMESTIC PRICES NOT INFLATED BY CRISES OUTSIDE CANADA, MACDONALD REFERRED TO HIS STATEMENT IN MAY 28 DEBATE.

4. MONTREAL GAZETTE JUNE 8 CARRIED CP- AP STORY FROM WASHINGTON QUOTING REPRESENTATIVE ANDERSON OF ILLINOIS AS SAYING HE WAS TOLD IN CANADA THAT " STATE DEPARTMENT CALLED CANADIAN AMBASSADOR IN YEAR AGO... AND SAID US WAS GOING TO BUILD LINE THROUGH ALASKA AND FOR CANADA TO KEEP OUT OF IT. DECISION WAS FINAL. HE WAS TOLD IT WAS INTERNAL MATTER AND ' PLEASE DON' T INTER-FERE.'" GAZETTE SAYS AMBASSADOR CADIEUX CONFIRMED CONVERSATION WITH FORMER DEPUTY SECRETARY IRWIN BUT CHARACTERIZED TALK LATER' S REMARKS AS NORMAL AND UNOBJECTIONABLE EXPOSITION OF USG POSITION.
JOHNSON

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